

Chairman and members of the Committee. For the record, my name is William Staffeldt. It is spelled
STAFFELDT

I am a landlord here in Helena. I am also President of the Helena Chapter of the Montana Landlords Association and former State Vice President. Today, however, I am here to personally testify about the law that we seek to have changed.

In 2005, I purchased an apartment building in downtown Helena. With it, came all the tenants that the previous owners had rented to. One was a Section 8 tenant. I caught her leaving her windows open when the temperatures were 20 degrees below zero. I asked her to keep her windows closed as I pay the heat between Oct 1 and May 1, (70-24-303). She smoked marijuana in the apartment and it was very obvious in the halls and the adjacent apartment upstairs. After several verbal warnings, I served a 14 day notice to Quit or Vacate. She answered my notice with a complaint to the Human Rights Bureau that I was infringing on her right to practice her religion. She claimed she was "smudging" while practicing Native American spirituality. The Human Rights Bureau offered to mediate the complaint April 12, 2006.

As a settlement to the complaint, I agreed to allow her to open her windows at least 10 minutes per day, and let her out of her lease with no penalties. When her attorney would not commit to a time that she would vacate the apartment, I offered to pay her a \$500 bonus to move out by the end of the month. The Legal Services attorney asked if she would get her \$500 security deposit back? I said that if she cleaned the apartment and there was no damage, she would.

At the end of the month, this tenant demanded that a police officer accompany me on the required inspection prior to her moving out. The next day, after she had departed the building, I discovered that no cleaning had been done, excessive damage, including ceramic tile had been busted out, blinds broken, doors damaged and the carpets had big stains. Cleaning amounted to \$1,384 dollars not counting the nearly \$4,000 damage to the apartment. I paid the bonus, but itemized the damages and cleaning.

To make a long story short, the Human Rights Bureau judge cleared me of any discrimination prior to the mediation, but denied me the cleaning and damages because I had only purchased the building four months earlier. He refused to acknowledge the condition of the apartment when she moved in, even though the prior owner was there to testify. He came to the conclusion that because she had filed a claim of discrimination within 6 months prior to me allowing her out of her lease, as a condition of the settlement, and I charged her for cleaning and damage, I was guilty of retaliation. It did not matter that the claim was a false one.

I had to return her \$500 deposit. I had to pay an additional \$500 for withholding it from her "illegally", although the Human Rights judge never explained what was illegal about it. I had to pay \$4,500 pain and suffering. I had to pay my attorney \$14,000 and her second attorney billed me \$22,000. In the end, I was able to negotiate it down to \$25,000 to settle the matter.

But that is not all. The Human Rights Bureau forced me to put posters up in my buildings to alert my tenants to contact them to file complaints. No other rental properties I have seen, have these posters displayed. They threatened to prevent me from being a landlord in Montana and made me attend, at my own expense, the two-day Fair Housing Conference. The speaker there said that the only way to get landlord's attention is to file multi-million dollar lawsuits against landlords.

I believe in fairness. I was obligated under 70-25-202 to provide a written itemization of damage and cleaning charges within 30 days of tenant departure. By doing so, I was breaking the 6 month provision of 70-24-431. I was in a catch 22. If I had to do over, I would take the matter to district court immediately and not even deal with the Human Rights Bureau.

Recently, it came to my attention that a similar incident happened to a former gubernatorial candidate. When he refused to mediate with the Human Rights Bureau, and insisted that they go immediately to District Court, the Human Rights Bureau backed down, because they knew the tenant was lying. It is too late for my case, but it is not too late to stem this unintended consequence.

The changes asked for in this bill will allow either party to bring an action. However, a claim of retaliation should be entertained, only when evidence of the complaint turns out to be truthful or adjudicated in favor of either party. Six months is arbitrary. The tenant and the landlord must adhere to the rental contract and the law. Withholding cleaning and damages is not retaliation, any more than having to pay for your groceries before you leave the grocery store. The "rebuttable presumption" forces the issue of pronouncing guilt until you can prove yourself innocent.

We were notified of this hearing only yesterday. Today, we have Senate hearings that happened to be scheduled at the same time as these proceedings. It is a shame more of our members and other landlords could not make it or had to choose between the bills. I hope you will consider this fact when you make your decision. I thank you for your service.